

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2875 – SB 3586

May 14, 2010

**SUMMARY OF AMENDMENTS (014768, 017964, 018631):** Deletes all language of the original bill. Deletes existing definitions associated with automobile clubs and associations. Authorizes the Commissioner of the Department of Commerce and Insurance to grant certificates of authorization to automobile clubs and associations and promulgate rules and regulations. Requires automobile clubs and associations to file annually with the Commissioner, an application for a certificate of authority to continue operation in the state. Requires all applicants to pay a \$20 fee to the Commissioner. Amendment 018631 states that traffic citations from traffic surveillance cameras are nonmoving traffic violations. Prohibits traffic citations from traffic surveillance cameras from being reported to the Department of Safety or used by insurance providers or credit reporting agencies. Requires camera evidence to be reviewed by a Peace Officer Standards and Training Commission (POST) certified officer. Requires violation notices to be sent by first class mail to the registered owner of the vehicle. Notices must be mailed by the law enforcement office, instead of a private vendor. Requires photographic and video evidence of a violation be made available to the registered owner of the vehicle by secured Internet connection. Effective July 1, 2010 any government that installs, owns, operates, or maintains traffic surveillance cameras must follow specific requirements, including appropriate signage. Requires the local governing body, by majority vote, to request a traffic engineering study be performed prior to implementation of any new traffic surveillance camera. Requires the local governing body, by majority vote, to approve the installation of any traffic surveillance cameras at new locations. Establishes protocols for all cameras operating after January 1, 2011, including signal, sign, and pavement marking requirements. Requires any contracts entered into after July 1, 2010 to be limited to four years and include language stating the operation of traffic surveillance cameras is governed by state law. Requires local governments operating cameras notify the Comptroller of all camera locations. Locations are also required to be published on the local government Web site. Requires a 30 day warning period and public announcements when new cameras are installed. Violations are subject only to a fine not to exceed \$50, including court costs.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

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## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

**Increase State Revenue – Not Significant**

**Increase State Expenditures – Not Significant**

**Forgone Local Revenue – Exceeds \$100,000/Recurring**

**Decrease Local Revenue – Exceeds \$100,000/Recurring**

**Increase Local Expenditures – Exceeds \$50,000/One-Time**

**Exceeds \$100,000/Recurring**

**Exceeds \$50,000/One-Time/Permissive**

**Exceeds \$100,000/Recurring/Permissive**

**Exceeds \$1,000,000/Over-Time/Permissive\***

Assumptions applied to amendments:

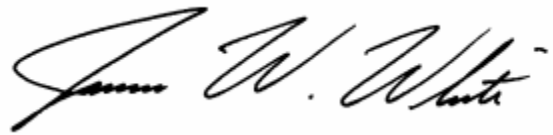
- Any increase to state revenue as a result of an increase in applications fees will be not significant.
- The Department of Commerce and Insurance already regulates the automobile club industry. Any increase to state expenditures will be not significant.
- Camera evidence is already reviewed by a POST-certified officer.
- Local governments currently utilizing traffic cameras will experience a recurring cost estimated to exceed \$50,000 to mail violations.
- Local governments currently utilizing traffic cameras will experience a recurring cost estimated to exceed \$50,000 to provide evidence over a secure Internet connection and to post the locations of all traffic cameras on the local government Web site.
- Local governments that choose to install new cameras will experience a permissive recurring cost estimated to exceed \$50,000 to mail violations.
- Local governments that choose to install new cameras will experience a permissive recurring cost estimated to exceed \$50,000 to provide evidence over a secure Internet connection and to post the locations of all traffic cameras on the local government Web site.
- Local governments currently utilizing traffic cameras will experience a one-time increase in expenditures estimated to exceed \$50,000 to install the required signals, signs, and pavement markings.
- Local governments that choose to install new cameras will experience a permissive one-time increase in expenditures estimated to exceed \$50,000 to install the required signals, signs, and pavement markings.
- Local governments that choose to install new cameras will experience an increase in expenditures estimated to exceed \$1,000,000 for conducting traffic studies before new cameras are installed. This will be a permissive one-time expenditure that will occur over time as new cameras are installed.
- Based on a limited survey, at least three cities currently charge additional costs for violations. Local revenue is estimated to decrease in an amount exceeding \$100,000.

- Local governments that do not currently assess additional costs but would have in the absence of this legislation will experience forgone local revenue estimated to exceed \$100,000 for costs that will not be collected.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/jaw